

Index	October (%)	YTD (%)
MSCI World	USD 2.0	20.2
S&P 500	USD 2.3	17.5
MSCI Europe	EUR 2.6	16.0
MSCI Asia Pac ex Japan	USD 3.7	30.6
Hong Kong Hang Seng	HKD -3.5	33.4
Hang Seng China Enterprises (H-shares)	HKD -4.0	29.7
Topix	JPY 6.2	22.4

Source: Thomson Reuters Datastream, total returns in local currency unless otherwise stated. Data as of October 31, 2025. YTD refers to year-to-date.

Global Outlook

US equity markets outperformed globally in October, driven by strong AI demand, positive Q3 corporate earnings and a Federal Reserve rate cut.

The Hang Seng Index dropped during the month on renewed China-US tensions. However, on October 30, the US and China agreed to delay the implementation of new export controls and shipping fees for one year, signaling a temporary easing of trade tensions.

Asia Pacific equities advanced in October, supported by strong export data and favourable policy signals for technology.

The US Federal Reserve cut interest rates by 25 basis points to a range of 3.75%–4.0%, though Chair Jerome Powell signalled that further cuts in December were not guaranteed.

Global Monthly Outlook

November 2025 (covering October 2025)

United States

- US equity markets outperformed globally in October, driven by strong AI demand, positive Q3 corporate earnings and a Federal Reserve rate cut.
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Europe (including UK)

- European equities hit new highs, driven by strong Q3 earnings, easing trade tensions, and resilient economic data.
- Tech, utilities, and healthcare sectors outperformed, while communication services lagged.

Asia Pacific (ex Hong Kong ex China ex Japan)

- Asia Pacific equities advanced in October, supported by strong export data and favourable policy signals for technology.
- Taiwan and Korea benefited from AI demand and optimism around the APEC summit.

Hong Kong and Mainland China (H-shares)

- The Hang Seng Index dropped during the month on renewed China-US tensions. However, on October 30, the US and China agreed to delay the implementation of new export controls and shipping fees for one year, signaling a temporary easing of trade tensions.
- During the month, Hong Kong stocks also fell amid growing concerns that the AI boom may have overheated and risks turning into a bubble.

Japan

- Japanese equities rose on political stability and a rally in tech shares, with inflation rising to 2.9%.
- A weaker yen boosted heavyweight exporters, after the Bank of Japan governor kept a cautious tone in holding interest rates steady.

Fixed Income

- Government bond markets had a strong month, with UK gilts delivering their best performance in nearly two years, returning 2.86% due to easing inflation pressures.
- The US Federal Reserve cut interest rates by 25 basis points to a range of 3.75%–4.0%, though Chair Jerome Powell signalled that further cuts in December were not guaranteed.

Emerging Markets

- Emerging markets maintained positive momentum in October, driven by AI demand and supportive policies.
- Latin America rallied, with Brazil benefiting from easing inflation and political stability. Chile and Peru gained on rate cuts and strong commodity demand.

November 2025 (covering October 2025)

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All data as of Nov 20, 2025, unless otherwise stated. This document is issued in:

Hong Kong

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